



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: CV-00682880-00CL DATE: June 20, 2022

NO. ON LIST: 4

TITLE OF PROCEEDING: IN THE MATTER OF REVLON

BEFORE JUSTICE: CONWAY, B

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party, Crown:**

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**For Defendant, Respondent, Responding Party, Defence:**

Name of Person Appearing	Name of Party	Contact Info
Evan Cobb	MidCap Funding IV Trust	Evan.cobb@nortonrosefullbright.com

**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
David Sieradzki	Proposed Information Officer	dsieradzki@ksv advisory.com
Kyle Kimpler	U.S counsel to the chapter 11 Debtors	kkimpler@paulweiss.com

## **CONWAY J. ENDORSEMENT:**

**All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Applicant (the Foreign Representative) dated June 20, 2022.**

The Foreign Representative seeks various orders under Part IV of the CCAA, namely recognition of the Chapter 11 Cases as foreign main proceedings, recognition of 13 First Day Orders, appointment of KSV Restructuring Inc. as Information Officer, granting of the DIP Charges and granting of the Administration Charge.

The Application is unopposed.

The background to the filing of the Chapter 11 Cases is detailed in the affidavit of Robert Caruso, Managing Director of Alvarez & Marsal North America, LLC, a restructuring advisor services firm retained by Revlon. He explains that the filing was initiated as a result of severe liquidity concerns faced by Revlon and a most recent default of the interest payment due under the BrandCo Facilities on June 8, 2022. The Chapter 11 Debtors filed petitions in the U.S. Court on June 15 and 16, 2022. The U.S. Court granted the First Day Orders, including an order authorizing Revlon, Inc. to act as Foreign Representative.

There are approximately 50 Chapter 11 Debtors. Two of those are Canadian companies, Revlon Canada Inc. and Elizabeth Arden (Canada) Limited (the “**Canadian Debtors**”). Their revenues make up 6.7% of Revlon’s revenues. The evidence is that the operations of the Canadian Debtors are highly integrated with those of the Chapter 11 Debtors in the U.S. In particular, the Canadian Debtors are dependent on the Chapter 11 Debtors for the licensed brands and intellectual property; they rely on the purchaser power and supply relationships of the Chapter 11 Debtors in the U.S.; product for Canadian customers is processed and shipped from the U.S.; and cash management for the Canadian Debtors is integrated into the centralized system in the U.S.

I am satisfied that the Chapter 11 Proceeding is a foreign main proceeding under Part IV of the CCAA. It is a foreign proceeding, Revlon is a foreign representative in respect of that proceeding, and the centre of main interests (COMI) of the Canadian Debtors is in the U.S. given the complete integration of the Canadian operations with those in the U.S.

I am granting the Initial Recognition Order, which includes a stay of proceedings to provide the required “breathing space” for the Chapter 11 Debtors to address their production and other issues. In addition, there were two grievances scheduled to take place today with the union representing the 19 employees (out of 102) of the Canadian Debtors. I am advised by counsel that the union has agreed to adjourn the arbitration hearings in light of this CCAA proceeding.

I am granting the Supplemental Order, recognizing the 13 First Day Orders and appointing the Information Officer.

One of the First Day Orders is the Interim DIP Order with respect to the DIP Facilities, which include a roll-up of certain pre-petition debt. The DIP is to be guaranteed by the Canadian Debtors and secured by a the DIP Charges over their assets. The evidence before me is that the Canadian Debtors have already guaranteed much of the pre-petition debt and their assets are fully encumbered. I see no material prejudice to creditors of the Canadian Debtors in recognizing the Interim DIP Order and granting the DIP Charges.

The Administration Charge in favour of the Information Officer and professionals is satisfactory to me.

Counsel for the Foreign Representative advised that there is a hearing for second day orders on July 22, 2022. It may wish to have some of those orders recognized by this court. I directed counsel as to my availability in July and August. If the timing does not work, they may seek a date through the Commercial List office for a hearing before another Commercial List judge. I will resume case management of this matter thereafter.

I have signed the Initial Recognition Order and the Supplemental Order. They are attached to this endorsement. These orders are effective from today's date and are enforceable without the need for entry and filing.

Conway J.